



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

January 21, 2003

Conditional Approval #572
February 2003

David H. Baris, Esq.
Kennedy, Baris & Lundy, LLP
4701 Sangamore Road
Bethesda, MD 20816

Re: Proposal to merge Enterprise Federal Savings Bank, Largo, Maryland, with and into First Liberty National Bank, Washington, DC, under the title and charter number of the latter.
Control No.: 2002 NE 02 0023

Dear Mr. Baris:

This is to inform you that on January 21, 2002, the Office of the Comptroller of the Currency (OCC) conditionally approved your proposal to merge Enterprise Federal Savings Bank, Largo, Maryland, with and into First Liberty National Bank, Washington, DC, under the title and charter number of the latter.

This approval is based on a thorough review of all information available, including representations made in the application, merger agreement and those of the banks' representatives. We understand that First Liberty Bancorp Inc., will downstream \$2.5 million in capital to First Liberty National Bank (First Liberty or Bank) prior to the consummation of the merger.

This conditional approval is subject to the following conditions:

- 1) For three years subsequent to the consummation of the merger, the Bank shall maintain all capital ratios at the "well capitalized" category level, as defined under 12 USC 1831 and 12 CFR 6.4.
- 2) The Bank shall retain an additional experienced commercial loan officer within 90 days of consummation. The OCC must review and have no objection to this new commercial loan officer prior to that person assuming such position.
- 3) First Liberty: (i) shall give the OCC's Maryland/National Capital Area Field Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from the business plan or operations and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from the business plan or operations.

These conditions are conditions “imposed in writing by the agency in connection with the granting of an application or other request” within the meaning of 12 U.S.C. § 1818 and, as such, are enforceable under 12 U.S.C. § 1818.

As a standard requirement of approval, First Liberty must establish and maintain a liquidation account.

Please be advised that the OCC also authorizes the resulting bank, should the merger occur between Call Report dates, to recalculate its legal lending limit. The new lending limit should be calculated by using data from the last Call Report of the individual banks filed prior to consummating the merger, as adjusted for the merger. The resulting bank will then file a new Call Report and begin calculating its legal lending limit according to 12 C.F.R. 32.4(a) at the end of the quarter following consummation of the merger.

As a reminder, you should advise the Northeastern District Office in writing ten (10) days in advance of the desired effective date for the merger so we may issue the necessary certification letter. The effective date of the merger must follow the applicable Department of Justice injunction period (15 days from the date of this letter) and any other required regulatory approvals.

The OCC will issue a letter certifying consummation of the transaction when we have received the following:

1. Secretary’s Certificates for each entity, certifying that a majority of the board of directors approved the transaction.
2. Executed merger agreement with Articles of Association for the resulting bank attached.
3. Secretary’s Certificate from each institution, certifying that the shareholder approvals have been obtained.
4. A letter certifying that all pending litigation against Enterprise Savings Bank has been settled.
5. A letter certifying that Enterprise Bancorp Inc., paid franchise taxes to State of Delaware and that Enterprise Bancorp Inc., is in good standing.
6. Confirmation that First Liberty Bancorp Inc., downstreamed \$2.5 million in capital to First Liberty and that all accounting adjustments as referenced in the proforma financial statements were made.

If the merger is not consummated within six months from the approval date, the approval shall automatically terminate unless the OCC grants an extension of the time period. All correspondence regarding these applications should reference the application control number.

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This approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions concerning this letter, please contact me or Senior Licensing Analyst Sandya Reddy in our Northeastern District Office at (212) 790-4055.

Sincerely,

Alan Herlands

Alan Herlands
Director, Licensing Operations